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**From:** Phil Spencer <[REDACTED]>  
**To:** Ryan, Jim  
**Sent:** 8/26/2022 10:56:36 AM  
**Subject:** Microsoft's Commitment to Activision Games on PlayStation Post Merger

Jim,

Thanks for your response. As I stated to you in my emails and on our calls, Sony is an important distributor of Activision content, and we would like to find a way to maintain that relationship once we've closed the Activision acquisition.

I continue to stand behind the written agreement I sent you on January 31, 2022 with my signature memorializing our commitment to Sony. The agreement would keep all existing Activision console titles on Sony, including future versions in the *Call of Duty* franchise or any other current Activision franchise on Sony, through December 31, 2027. That includes content and feature parity, as well as making it clear that we would not feature any timed-exclusive releases of such content on Xbox consoles.

It is hard to align the principles set out in your email of May 26, 2022 with Sony's leading role in the market. As I said before, we believe that keeping these titles on Sony, as we did with Minecraft, is the right thing for the industry and for gamers.

Phil

**From:** Jim.Ryan <[REDACTED]>  
**Sent:** Thursday, May 26, 2022 9:55 AM  
**To:** Phil Spencer <[REDACTED]>  
**Subject:** [EXTERNAL] Response

Phil,

Thank you for your email. We agree that ensuring Activision Blizzard ("Activision") games are available on PlayStation is the right thing to do for gamers and the industry. However, Microsoft's original proposal did not fulfill this objective, and left us with serious concerns that our counter-proposal is designed to address. Far from being "unusual," our counter-proposal represents the minimum needed to respect gamers' interests and maintain competition.

We believe there are two fundamental principles that are critical to mitigating the potential negative impact to gamers from the Activision acquisition. The first principle is that the commitment to availability of *Call of Duty* and other Activision games on PlayStation must be sufficiently broad to fully align with gamer expectations. To do the right thing for gamers, it is not enough to represent that a particular selection of older titles will remain on PlayStation. Rather, it is essential to agree that all Activision titles will be made available on PlayStation irrespective of their original release dates or whether they can be classified as part of a particular franchise, just as they have been historically. And this commitment needs to be a lengthy one, not just a few years after the acquisition.

The second principle is that, in addition to addressing the scope of the content available on PlayStation, the parties' agreement must address the manner in which the games will be made available. If Activision games are made available only on terms that are disadvantageous for PlayStation in comparison with other platforms, this could be tantamount to not making them available on PlayStation at all. As one example, making Activision games available on PlayStation after those games have been made available on Xbox would be contrary to the spirit of Microsoft's commitment to keep Activision games on PlayStation, as well as being unsatisfactory for gamers.

With these principles in mind, let me briefly address the contours of our counter-proposal. The first term of our proposal is designed to advance the first principle stated above, i.e., satisfying gamer expectations by ensuring that all Activision games are available on PlayStation. Please note that the reference to price parity relates specifically to the wholesale price on which PlayStation is offered Activision titles for resale on the PS Store.

The second term of our proposal is designed to advance the second principle described above. Unequal treatment of Activision games in subscription services would lead to unequal availability of the games. As long as you agree to the fundamental principle – Activision games should not receive unequal treatment on the parties' subscription services – we are open to further discussing the details of how this might be accomplished.

The third term of our proposal simply recognizes the reality that, upon completion of the acquisition of Activision, it would not seem to make logical sense for the financial, marketing and other arrangements previously negotiated between SIE and Activision to continue to apply in the post-acquisition world. We believe this common sense step is to the benefit of both Microsoft and SIE.

Regarding Bethesda, I was making a more general point during our discussion that the equal treatment of Bethesda games would be a logical subject for the parties to discuss because it involves some of the same concerns as the availability and/or unequal treatment of Activision games. We would welcome discussing this subject as part of an agreement that advances the two fundamental principles discussed above.

We would appreciate your confirming that these terms are acceptable as a framework for the parties to negotiate an appropriate written agreement. If you can confirm this, I will instruct my team to get started immediately on preparing an agreement that can be finalized following negotiations with your team. Please let me know if you have any further questions.

Regards,

Jim

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Sony Interactive Entertainment Europe Limited

Registered Office: 10 Great Marlborough Street, London W1F 7LP, United Kingdom

Registered in England: 3277793

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